GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2398
ANSWERED ON:17.08.2006
CONVERSION OF COAL SHALE IN TO PETROL
Sarma Dr. Arun Kumar

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether a large reserve of coal shale is available in Assam;

(b) if so, whether coal shale can be converted into Petroleum;

(c) if so, the details thereof;

(d) the details of pilot scale work conducted and the estimated cost of conversion;

(e) whether any project is being planned in this regard; and

(f) if so, the details thereof along with targets fixed, if any?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (f):- The question presumably relates to oil shale. The term 'coal shale' is not commonly known. There are reported occurrences of oil shale associated with coal in Assam. No assessment has been made about oil reserves in shale/coal. Oil India Ltd. in past had undertaken R&D activity with the help of a foreign company however commerciality could not be established. Directorate General of Hydrocarbons (DGH) has initiated action to take up studies on resource estimated of oil shale deposits and syncrude potential in north eastern part of India.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF THE LOK SABHA STARRED QUESTION NO.312 BY SHRI K. S. RAO AND SHRI HARISINGH CHAVDA TO BE ANSWERED ON 17.08.2006 REGARDING "GAS FROM COAL FIELDS".

(a) The coal fields at deeper levels are estimated to have coal bed methane gas trapped in coal seams. The Government of India has formulated a Coal Bed Methane (CBM) Policy in 1997 for extraction of this gas. Till date the Government has signed 16 contracts for exploration and production of CBM gas in the States of Chhatisgarh (1 block), Gujarat (1 block), Jharkhand (5 blocks), Madhya Pradesh (3 blocks), Rajasthan (2 blocks), Maharashtra (1 block) and West Bengal (3 blocks)

(b) The contracts provides for payment of royalty @ 10% in accordance with Petroleum & Natural Gas Rules, 1959 to the respective State Governments and in addition they are required to pay production level payments as specified in the respective contracts.

(c) to (e):- No representations have been received from the State Governments to review the existing oil/gas exploration policy. However, some of the State Governments had represented to the Central Government for sharing of production level payments and profit petroleum share payable to the Central Government under the contracts for sharing with the respective State Governments. Based on the recommendations of the 12th Finance Commission, the Central Government has accepted the sharing of production level payment and profit petroleum payable to the central Government with the respective State Governments in respect of onland Blocks in ratio of 50:50 subject to the condition that this should be within the overall ceiling of transfers recommended by 12th Finance Commission (38% of the gross revenue).